

Current Report No. **12/2020**

Report Date:

6 March 2020, 7:38 AM

Abbreviated name of the issuer:

DOM DEVELOPMENT S.A.

Subject:

Recommendation of the Management Board regarding the payment of dividend

Legal basis:

Article 17.1 of the Market Abuse Regulation – inside information

The Report:

The Management Board of Dom Development S.A. with its registered seat in Warsaw (the “Company”), hereby informs that, on 6 March 2020, it adopted a resolution regarding the motion of the Management Board concerning the distribution of the Company’s net profit for 2019.

In accordance with the abovementioned resolution, the Management Board of the Company proposes the payment of dividend to the shareholders of Dom Development S.A. in the amount of **PLN 9.50** (in words: nine Polish zlotys and fifty groszy) per share (i.e. an increase of 4.97% over the previous year). The payout ratio of the recommended dividend amounts to 94% of the consolidated net profit of Dom Development S.A.’s Capital Group. The decision to vary the approach of paying 100% of consolidated net income by way of dividend was made by the Management Board of the Company after taking into account the Company’s growth plans, its financial needs and existing market conditions.

The Management Board still intends to pay out the highest possible dividend to the Company shareholders compatible with a strong balance sheet and ample liquidity. The Management Board believes that the high return on equity of the Company and its Capital Group will enable it to stay among the top WSE listed companies in terms of dividend yield while allocating a proportion of its annual profits to strengthening its balance sheet.

It is the Management Board’s intention to increase dividends in forthcoming years, both in nominal and real terms, i.e. dividend per share growth rate should outpace the inflation rate measured by CPI.

Moreover, according to the abovementioned resolution, the Management Board of the Company proposed that **18 June 2020** be set as the dividend date and **25 June 2020** as the dividend payment date.

Based on the above resolution the Company’s Management Board proposed that the part of the Company’s net profit for 2019 of **PLN 239,575,009.00** (in words: two hundred and thirty-nine million, five hundred and seventy-five thousand and nine Polish zlotys), be distributed among the Company shareholders as dividend and the remaining part of the Company’s net profit for 2019 of

PLN 65,089,927.64 (in words: sixty-five million eighty-nine thousand nine hundred twenty-seven zlotys sixty-four groszy) be designated for the purposes of increasing the Company's reserve capital.

The above mentioned total amount of recommended dividend includes 100,000 AA series shares of the Company and 50,000 AB series shares of the Company, which will participate in the dividend distribution provided that they will be registered with the National Depository for Securities (KDPW) by the dividend day.

The dividend policy of Dom Development S.A., dated 3 April 2013, was published in the current report no. 14/2013 and is available on the Company's webpage at <https://inwestor.domd.pl/en/dividend-history>.

Signatures of persons representing the Company:

Jarosław Szanajca – President of the Management Board

Janusz Zalewski – Vice President of the Management Board